Medicaid cuts threaten coverage for millions of our nation’s children and families

Despite Medicaid’s clear importance and popularity, some congressional leaders are threatening to cut Medicaid as part of any deal to address the nation’s debt ceiling. These cuts, whether in the form of work reporting requirements, per capita caps or other structural changes to the program, are designed to save money by kicking people off their health coverage — preventing them from accessing the services they use and depend on every day. These cuts would harm millions of hardworking families relying on Medicaid, almost half of all the children in our nation (including children in the Children’s Health Insurance Program), mothers caring for their children between shifts at low-wage jobs, and caregivers who spend hours each week caring for a loved one or neighbor.

In particular, proposed cuts to Medicaid under the guise of so-called work reporting requirements would do exactly the opposite of what they purportedly accomplish. Instead of ensuring that people enrolled in Medicaid are working, these requirements would create mountains of paperwork and onerous bureaucracy for hardworking people — with the predictable result of people losing their health coverage in the shuffle.

Congressional Proposals to Cut Medicaid Would Harm Hardworking Families Relying on Key Services and Put Disabled People in Particular at Risk
People with disabilities would be particularly harmed by Medicaid cuts

What has not been widely discussed is how much of an impact the Medicaid cuts Republican leadership is pushing would have on people with disabilities in particular. More than 10 million disabled Americans rely on Medicaid,² accounting for more than a third of overall Medicaid spending because many disabled Medicaid enrollees have more intensive health care needs.³ Therefore, any sweeping cuts to Medicaid would have a disproportionate impact on disabled children and adults.

Some policymakers try to mask the harm such proposals would have on people with disabilities by claiming the work reporting requirements would only impact “able-bodied adults,” but the reality is that these cuts would hurt disabled people in ways that go beyond the red tape of the reporting requirements. States rely on federal funding to run their Medicaid programs, and federal cuts wreak havoc on state budgets, forcing state officials to make impossible choices about which necessary services to stop providing for their constituents. The subsequent cascade of cuts states would make to optional Medicaid services, such as oral health and home and community-based services (HCBS), would jeopardize the ability of disabled people and others to live independently and secure and maintain employment.

Our country already has work to do to address the massive crises around poor oral health and in-home and community aging and disability care. We cannot lose ground. While the congressional leaders considering these cuts do so at their own electoral peril, the millions of people who rely on Medicaid have their health, well-being and independence on the line.

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Medicaid: efficient, effective, and incredibly popular

Medicaid is an essential program. It covers almost half of all births and more than half of all children in our nation.\(^4\) It provides health care access, independence to live and age with dignity, and financial security for 86 million Americans without other health coverage options.\(^5\) It allows people of all ages to live their fullest and healthiest lives, stay in school, keep their jobs, and be involved in their communities. Medicaid covers 45% of disabled adults under age 65 and nearly 50% of all children with special health care needs.\(^6\) The importance of Medicaid was never clearer than during the COVID-19 pandemic as it kept people connected to care when they needed it most. Today, Medicaid is incredibly popular and effective, and the American people want Congress to protect and improve it, not cut it back.

Federal cuts put critical Medicaid services at risk: home and community-based services and oral health care

“The cuts to optional services do not fall evenly ... they tend to affect people who are more vulnerable because they’re not eligible for other programs.”

—Ashley Archibald, Real Change News and Emily Brice, Northwest Health Law Advocates\(^7\)

State Medicaid programs are required by federal law to cover many health services, but there are other services that are optional to states, including HCBS and adult dental benefits. Recent history shows states limit or completely cut these services during federal funding shortfalls or economic downturns, which is harmful to the health and independence of millions of people across the country.\(^8\)

Home and community-based services

HCBS provide necessary care for people with disabilities and older adults who want to receive care in their homes and communities instead of congregate facilities and institutions. Medicaid is the primary payer for all long-term services and supports in the United States, including HCBS, as neither Medicare nor most private
insurers cover meaningful long-term care. Seven million people receive HCBS through Medicaid, and the demand for services is rising, with 655,000 people already on Medicaid HCBS waiting lists across the nation, with an average wait time of 45 months. The need for HCBS is growing and will continue to grow as the U.S. adult population is expected to nearly double by 2060.

All 50 states and Washington, D.C., offer HCBS coverage through optional waivers, although there is considerable variation in coverage across states. Additionally, 39 states have waiting lists for HCBS services, with vast differences in the number of people on waiting lists per state. Yet as of fiscal year 2020, 96% of Medicaid spending on HCBS was for services considered nonmandatory for states to provide.

That means that states expanded their HCBS coverage leading up to the Great Recession in 2008, but cuts were made during and immediately after the start of the recession. These cuts resulted in larger waitlists, heightened restrictions or qualification requirements, or elimination of services altogether. Even when states received funding for HCBS through the American Rescue Plan Act, more than two-thirds of states enacted initiatives that were time-limited to avoid higher ongoing costs after enhanced federal funding ended. With all of these fluctuations, people who rely on Medicaid to get care in their homes and communities face unreliable or inaccessible coverage, particularly if they happen to seek services during an economic downturn.

There is already a crisis of care for HCBS recipients, family caregivers and the direct care workers who provide this lifesaving care. While 87% of people prefer to receive disability or aging services in their homes and communities, states are already concerned about meeting the increased demand for HCBS in future years. Any cuts to Medicaid will further decrease access to services, skyrocketing the number of people on Medicaid HCBS waiting lists, and leaving disabled people and older adults without critical services or forcing them to move into institutions.

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**HOME AND COMMUNITY-BASED SERVICES**

- **7 million people** receive HCBS through Medicaid.
- **655,000** people and growing are on HCBS waiting lists.
- In 2020, **96% of Medicaid HCBS spending** was for state optional services.
- **87% of people prefer** to receive disability or aging services in their homes and communities.
- **Medicaid is the primary payer** for all long-term services and supports in the U.S., including HCBS.

**IF HCBS IS CUT**

- People with disabilities and older adults are **left without critical services or are forced to move to institutions.**
- Family caregivers will be forced to leave the workforce to provide care.
Oral health

Like HCBS, dental care is an optional benefit in Medicaid and often the first optional service to be eliminated as states face Medicaid cuts.

An ever-growing body of research shows that oral health care is key to overall health and wellness, employment opportunities, economic stability, and social connectedness. Oral health problems can prevent people from eating, working, securing employment and staying healthy. A recent survey of middle-aged adults revealed that nearly 4 in 10 had dental problems within the past two years that caused pain, difficulty eating and work absences.

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Poor oral health affects many adults in the United States, but a disproportionate number of people with low incomes have dental issues, largely due to lack of access to coverage and care. In addition, racial and ethnic disparities persist. Around 40% of low-income, non-Hispanic Black adults working in the United States live with untreated tooth decay, which leads to negative consequences on quality of life and productivity. This compares to just 20.9% of non-Hispanic White adults with untreated tooth decay. The lack of access to proper oral health care also has a significant impact on individuals with disabilities because they commonly have multiple chronic health conditions, many of which are exacerbated by poor oral health.

Medicaid is a critical source of oral health care for tens of millions of adults. As of 2022, Medicaid programs in 39 states and Washington, D.C., covered at least some adult dental services, and all 50 states plus the District of Columbia covered dental services for pregnancy-related Medicaid coverage. But because this essential coverage is not required, it is not guaranteed. Medicaid adult dental coverage was curbed during the last several recessions. Sixteen states restricted adult dental coverage in state fiscal years 2003 and 2004, and 19 states restricted dental coverage between state fiscal years 2010 and 2012 following the Great Recession of 2008. When these programs are cut, people relying on Medicaid for their health coverage have few options for affordable oral health care. Even elderly adults and nonelderly adults with disabilities dually eligible for Medicaid and Medicare are left stranded, as Medicare does not generally cover dental services.
The consequences have been obvious: Enrollees without oral health benefits were three times as likely to have unresolved dental issues and less likely to receive annual checkups. From 2000 to 2010, low-income adults’ access to and use of dental care decreased dramatically, corresponding to the reduction or elimination of these services across states.

Those who do seek care for dental services not covered by Medicaid usually end up at the emergency department, increasing costs and crowding emergency rooms that are already stretched thin. For example, following the 2008 funding cuts, emergency department use for dental care increased the most among older adults and people covered by Medicare, Medicaid and charity care at a safety-net hospital in Boston. After California eliminated adult dental coverage in July 2009:

- The number of beneficiaries receiving dental services dropped from 35% to 12%.
- Three million adults were prevented from receiving dental care.
- There was a 23% increase in emergency department dental visits by Medicaid beneficiaries.

Over the last decade, states have learned the hard way that cutting dental and other optional care benefits is not worth it — and many have since restored dental benefits. But if Congress cuts Medicaid this year, states may once again restrict dental coverage, restarting the cycle of missed routine dental appointments leading to an overuse of emergency room services.

To ensure that people can get the care they need, it is imperative that congressional leaders on both sides of the aisle hold the line and protect these vital services by rejecting Medicaid cuts in any form.

**Bottom line: Cutting Medicaid will have a disproportionate impact on disabled Americans and others relying on optional services**

While Medicaid statute may consider services like home and community-based services and dental services to be “optional,” they are not optional for people’s health. When members of Congress consider cuts to the Medicaid program, they need to be unambiguous about all the ramifications that people will experience.

It is important to note that any cuts to Medicaid are an explicit threat to the well-being of people with disabilities. For many disabled people, their Medicaid coverage — and the access it provides to health care, dental care and HCBS — is a matter of life and death.

For the sake of all of our families and community members, the 118th Congress and any future Congress must hold the line and protect access to Medicaid, especially for their constituents who rely on federal Medicaid funding for state optional services like oral health services and HCBS.
Endnotes


2 “Medicaid Enrollees by Enrollment Group, 2019,” KFF, n.d., https://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-enrollees-by-enrollment-group/?dataView=0%C2%A4tTimeframe%3D0&currentTimeframe=0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D.


4 Centers for Medicare & Medicaid Services, “Biden-Harris Administration.”


10 “Medicaid HCBS Waiver Waiting List Enrollment, by Target Population and Whether States Screen for Eligibility, 2021,” KFF, n.d., https://www.kff.org/medicaid/state-indicator/medicaid-hcbs-waiver-waiting-list-enrollment-by-target-population-and-whether-states-screen-for-eligibility/?currentTimeframe=0&sortModel=%7B%22colId%22%3A%22Location%22%2C%22sort%22%3A%22asc%22%7D.


12 KFF, “HCBS Waiver Waiting List.”


15 O’Malley Watts, Burns, and Ammula, “Ongoing Impacts.”


National Institute of Dental and Craniofacial Research, “Section 1.”


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33 Medicaid and CHIP Payment and Access Commission, “Chapter 2.”